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CITY OF CAMARILLO

UNIVERSITY OF CALIFORNIA

RESOLUTION NO. 78-.....

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAMARILLO,  
CALIFORNIA, AUTHORIZING THE ISSUANCE OF \$400,000 WATER  
REVENUE BONDS OF SAID CITY AND PROVIDING THE TERMS  
AND CONDITIONS FOR THE ISSUANCE OF SAID BONDS.

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WHEREAS, pursuant to Resolution No. 345, a special  
municipal election was held in the City of Camarillo on  
November 7, 1967, for the purpose of submitting to the  
qualified voters of said City the proposition of issuing  
water revenue bonds of said City in the amount of \$2,000,000  
pursuant to the Revenue Bond Law of 1941 (Chapter 6, Part 1,  
Division 2, Title 5 of the Government Code of the State  
of California) for the following purposes, to wit:

The acquisition, construction and financing of  
extensions, enlargements and improvements of the water  
system of the City of Camarillo, including works and  
facilities for the storage, transmission, treatment  
and distribtuion of water and the acquisition of land,  
easements, rights of way and other property necessary  
or convenient therefor and also including costs and

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expenses incidental to or connected with such acquisition construction and financing;

and

WHEREAS, said proposition was approved by the votes of more than a majority of all the voters voting on said proposition at said special municipal election, and said City is now authorized to issue said bonds as provided in said Revenue Bond Law of 1941; and

WHEREAS, pursuant to Resolution No. 395 adopted on January 10, 1968, this City Council authorized the issuance of and sold \$1,600,000 of said bonds, designated "1968 Water Revenue Bonds, Series A;" and

WHEREAS, pursuant to Article 8, Chapter 3, Part 1, Division 2, Title 5 of the Government Code of the State of California, the City is authorized, without a vote of the City's electors, to issue water revenue bonds subject to certain conditions as set forth in said Article 8; and

WHEREAS, this City Council deems it necessary to issue and sell \$400,000 water revenue bonds pursuant to said chapter, said Revenue Bond Law of 1941 and said Article 8;

NOW THEREFORE, the City Council of The City of Camarillo, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Definitions.

As used in this resolution the following terms shall have the following meanings:

- (a) "City" means the City of Camarillo, California.
- (b) "City Council" or "Council" means the City Council of said City.
- (c) "Treasurer" means the City Treasurer of said City.



(d) "Revenue Bond Law" means the Revenue Bond Law of 1941 as cited in the recitals hereof.

(e) "The Bonds" or "said Bonds" means the bonds authorized by this resolution.

(f) "Enterprise" means the enterprise defined in Resolution No. 345 calling said election as follows:

"That the enterprise referred to in Section 4 herein [Resolution No. 345] is defined as the entire water system of the City of Camarillo together with all additions to be acquired, constructed and financed with funds to be derived from the sale of the revenue bonds herein proposed to be issued, including all improvements, additions and extentions to said water system later constructed or acquired."

(g) "Gross Revenues of the Enterprise" means all revenues (as defined in Section 54315 of the Government Code, which include all charges received for, and all other income and receipts derived by the City from the operation of the Enterprise or arising from the

Enterprise) received by the City from the services and facilities of the Enterprise excluding customer deposits and connection charges.

(h) "Net revenues of the Enterprise" means the amount of the Gross Revenues of the Enterprise less the Necessary and Reasonable Maintenance and Operation Costs of the Enterprise.

(i) "Necessary and Reasonable Maintenance and Operation Cost of the Enterprise" means the amount required to pay the reasonable expenses of management, repair and other costs necessary to operate, maintain and preserve the Enterprise in good repair and working order excluding depreciation.

(j) "Maximum Annual Debt Service" shall be the maximum sum obtained for any Fiscal Year thereafter by totaling the following for such Fiscal Year:

(1) The principal amount of all outstanding Bonds of this issue and any Parity Bonds payable in such fiscal year;

(2) The minimum principal amount of all outstanding Bonds of this issue and any Parity Bonds scheduled to be called and redeemed in such Fiscal Year, together with the premium thereon, if any be payable; and

(3) The interest which would be due during such Fiscal Year on the aggregate principal amount of Bonds which would be outstanding in such Fiscal Year if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds already retired.

(k) "Parity Bonds" means revenue bonds, revenue notes or other similar evidences of indebtedness heretofore or hereafter issued for the acquisition, construction and financing of extensions of, additions to, and improvements of the Enterprise, payable out of the revenues derived from the Enterprise and which, as provided in this resolution, rank on a parity with the Bonds of this issue.



(l) "Subsequent Resolution" means any resolution authorizing the issuance of Parity Bonds.

(m) "Fiscal Year" means the year period beginning on July 1 and ending on the next following June 30.

(n) "Authorized Investments" means any securities in which the City may legally invest funds subject to its control.

(o) "Fiscal Agent" means Bank of America National Trust and Savings Association, its successors and assigns, and any other corporation or association which may at any time be substituted in its place by the City.

## Section 2. Equality of Bonds, Pledge of Revenues.

Pursuant to the Revenue Bond Law and this resolution, the Bonds shall be equally secured by a pledge, charge and lien upon the Gross Revenues of the Enterprise without priority for number, date of bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of said Bonds and any premiums

upon the redemption of any thereof shall be and are secured by an exclusive pledge, charge and lien upon the Gross Revenues of the Enterprise, and all of the Gross Revenues of the Enterprise are hereby pledged, charged and assigned for the security of said Bonds, and such Gross Revenues of the Enterprise and any interest earned thereon shall constitute a trust fund for the security and payment of the interest on and principal of said outstanding Bonds and so long as any of the Bonds or interest thereon are unpaid said Gross revenues of the Enterprise and interest thereon shall not be used for any other purpose, except as permitted by this resolution and any subsequent resolution, and shall be held in trust for the benefit of the bondholders and shall be applied pursuant to this resolution, or to this resolution as modified pursuant to provisions herein, and any subsequent resolutions.

Nothing in this resolution or in any subsequent resolution shall preclude: (a) the redemption prior to maturity of any Bonds or Parity Bonds subject to call and redemption and payment of said Bonds or Parity Bonds from proceeds of refunding bonds issued under said Revenue Bond Law as the same now exists or as hereafter amended, or under



any other law of the State of California; and (b) the issuance, subject to the limitations contained herein, of additional indebtedness evidenced by revenue bonds, revenue notes or any other evidences of indebtedness payable out of the revenues of the Enterprise and ranking on a parity with said Bonds.

Any Bond for the payment and discharge of which upon or prior to maturity, or upon redemption prior to maturity, provision has been made through the setting apart in the Bond Service Fund or Redemption Fund or in a special trust fund or account created pursuant to this resolution to insure the payment or redemption thereof (as the case may be), of money sufficient for the purpose, or through the irrevocable segregation for that purpose in some fund or trust account of moneys sufficient therefor, shall be deemed to be no longer outstanding and unpaid within the meaning of any provision of this resolution.

Section 3. Amount, Issuance, Purpose and Nature  
of Bonds.

Under and pursuant to the Revenue Bond Law, the Bonds in the amount of \$400,000 shall be issued for the purposes stated in the recitals hereof. The Bonds shall be and are special obligations of the City and shall be and are secured by a pledge of and lien upon, and shall be and are a charge upon, and shall be and are payable as to the principal thereof and interest thereon and any premiums upon the redemption of any thereof solely from, the Gross Revenues of the Enterprise, such Gross Revenues of the Enterprise being hereby pledged, charged and assigned for the security of the Bonds.

Section 4. No General City Liability.

The general fund of the City is not liable for the payment of the Bonds or their interest, nor is the credit or taxing power of the City pledged for the payment of the Bonds or their interest. The holder of the Bonds or coupons shall not compel the exercise of the taxing power by the City or the forfeiture of any of its property.

The principal of and interest on the Bonds and premiums upon the redemption of any thereof are not a debt of the City nor a legal or equitable pledge, charge, lien, or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues, except the Gross Revenues of the Enterprise which are, under the terms of this resolution and the Revenue Bond Law, pledged to the payment of said Bonds and the interest thereon.

Section 5. Description of Bonds.

The Bonds shall be in the principal sum of \$400,000. The Bonds shall all be in the denomination of \$5,000, and shall be 80 in number, numbered 1 to 80, inclusive. The Bonds shall be designated "1978 WATER REVENUE BONDS", shall be dated December 15, 1978, and shall be payable in consecutive numerical order on December 15 in each of the years 1979 through 1998 in the principal amounts of \$20,000 in each of such years.



Section 6. Interest.

The Bonds shall bear interest at a rate or rates to be hereafter fixed by resolution or resolutions, but not to exceed eight percent (8%) per annum, payable semiannually on the fifteenth days of June and December of each year. Each Bond shall bear interest until the principal sum thereof has been paid, provided, however, that if at the maturity date of any Bond, or if the same is redeemable and has been duly called for redemption, funds are available for the payment or redemption thereof in full accordance with the terms of this resolution, said Bonds shall then cease to bear interest. The Bonds and the interest thereon shall be payable in lawful money of the United States of America at the office of the Treasurer of the City of Camarillo in Camarillo, California, or, at the option of the holder, at the main office of Bank of America National Trust and Savings Association, in Los Angeles, California, Fiscal Agent for the City, or at any paying agent of the City in Chicago, Illinois, or in New York, New York.

Section 7. Execution of Bonds.

The Mayor of the City and the Treasurer are hereby authorized and directed to sign all of the Bonds by their printed, lithographed or engraved facsimile signatures, and the City Clerk of the City is hereby authorized and directed to countersign the Bonds and to affix thereto the corporate seal of the City, and the Treasurer is hereby authorized and directed to sign the interest coupons of the Bonds by his printed, lithographed or engraved facsimile signature.

Section 8. Registration.

The Bonds may be registered only as to both principal and interest, and any registered bond may be discharged from registration in the manner and with the effect set forth in the provisions for registration contained in the form of Bonds set forth herein.

Section 9. Redemption of Bonds.

The Bonds maturing on or prior to December 15, 1986, are not subject to call or redemption prior to maturity. The Bonds maturing on or after December 15, 1987, are subject to call and redemption, at the option of the City, on December 15, 1986, or on any interest payment date thereafter prior to maturity, at a redemption price for each redeemable Bond equal to the principal amount thereof, plus a premium equal to one-quarter of one percent of the principal amount for each year or intervening fraction of a year from the redemption date (as hereinafter defined) to the date of maturity.

All or any of the Bonds subject to call may be called for redemption at any one time. If less than all of the Bond are redeemed at any one time, such Bonds shall be redeemed in inverse order of maturity and by lot within a maturity. The interest payment date on which Bonds are to be presented for redemption is herein sometimes called the "redemption date."



(a) Notice of Redemption. Notice of the intended redemption shall be published by one insertion in a newspaper of general circulation in the County of Ventura, California, and in a financial newspaper or journal of national circulation published in or near the City of New York, New York, said publications to be at least 30 days but not more than 60 days prior to the redemption date. The notice of redemption shall (a) state the redemption date; (b) state the redemption price; (c) state the numbers and date of maturity of the Bonds to be redeemed, provided, that whenever any call includes all of the outstanding Bonds subject to call the numbers of the Bonds need not be stated; (d) require that such Bonds be surrendered with all interest coupons maturing subsequent to the redemption date (except that no coupons need be surrendered on registered Bonds) at the office of the Treasurer of the City of Camarillo in Camarillo, California, or, at the option of the holder, at the office of the Fiscal Agent for the City, or at any paying agent of the City in Chicago, Illinois, or in New York, New York; and (e) give notice that further interest on such Bonds will not accrue after the designated redemption date.

The Fiscal Agent shall, on or before the date of publication of said notice of redemption, mail a similar notice postage prepaid to any person, firm or corporation that originally purchased any of said Bonds from the City.

If any of the Bonds designated for redemption shall be registered so as to be payable otherwise than to bearer, the Fiscal Agent shall, on or before the date of publication of said notice of redemption, mail a similar notice postage prepaid to the respective registered owners thereof at the addresses appearing on the Bond registry book.

The actual receipt by the holder of any Bond of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the redemption date. The notice or notices required by this section shall be given by the Fiscal Agent. A certificate by the Fiscal Agent that notice of call and redemption has been given to original purchasers and to holders of registered Bonds as herein provided shall be conclusive

as against all parties, and no bondholder whose Bond or registered Bond is called for redemption may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that he failed to actually receive such notice of call and redemption.

(b) Redemption Fund. Prior to the redemption date there shall be established by the Fiscal Agent a redemption fund to be described or known as 1978 WATER REVENUE BONDS, REDEMPTION FUND (herein sometimes referred to as "Redemption Fund"), and prior to the redemption date there shall be set aside in said Redemption Fund moneys available for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Bonds designated in such notice of redemption. Said moneys must be set aside in said fund solely for that purpose and shall be applied on or after the redemption date to payment (principal and premium) of the Bonds to be redeemed upon presentation and surrender of such Bonds and (except as to registered Bonds) all interest coupons maturing after the redemption date, and shall be used only for that purpose. Any interest coupon due on or prior to the redemption date shall be paid from the Bond Service Fund upon presentation



and surrender thereof. Any interest due on or prior to the redemption date upon registered Bonds shall be paid from said Bond Service Fund. Each Bond presented (if unregistered) must have attached thereto or presented therewith all interest coupons maturing after the redemption date. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are moneys remaining in said Redemption Fund, said moneys shall be transferred to the Revenue Fund; provided, that if said moneys are part of the proceeds of refunding bonds said moneys shall be transferred to the fund or account created for the payment of principal of and interest on such refunding bonds.

(c) Effect of the Notice of Redemption. When notice of redemption has been given, and when the amount necessary for the redemption of the Bonds called for redemption (principal and premium) is set aside for that purpose in the Redemption Fund, the Bonds designated for redemption shall become due and payable on the redemption date, and upon presentation and surrender of said Bonds and (except as to registered Bonds) all interest coupons maturing after the redemption date, at the place specified in the notice of redemption, such Bonds shall be redeemed

and paid at said redemption price out of the Redemption Fund, and no interest will accrue on such Bonds called for redemption or on any interest coupon thereof after the redemption date specified in such notice, and the holders of said Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the premium thereon only to said Redemption Fund. All Bonds redeemed and all interest coupons thereof shall be cancelled forthwith by the Fiscal Agent and shall not be reissued.

All interest coupons pertaining to any redeemed Bonds, which coupons have matured on or prior to the redemption date, shall continue to be payable to the respective holders thereof but without interest thereon. All unpaid interest payable at or prior to the redemption date on registered Bonds shall continue to be payable to the respective registered owners of such Bonds, or their order, but without interest thereon.

Section 10. Fiscal Agent.

The City hereby appoints the Bank of America National Trust and Savings Association in Los Angeles, California, as the Fiscal Agent for the purpose of paying the principal of and interest on any of the Bonds presented for payment at its main office in Los Angeles, California, and for the purpose of performing all other duties assigned to or imposed upon the Fiscal Agent as in this resolution provided. The Fiscal Agent initially appointed and any successor thereof may be removed by the City and a successor or successors appointed; provided that each such successor shall be a bank or trust company doing business in and having an office in the City of Los Angeles, State of California. Any such Fiscal Agent designated by the City shall continue to be the Fiscal Agent of the City for all of said purposes until the designation of a successor as such Fiscal Agent, and the City agrees that it will maintain a Fiscal Agent in said City of Los Angeles so long as any of said Bonds or any Parity Bonds are outstanding and unpaid. The Fiscal Agent is hereby authorized and directed to withdraw from the funds and in the manner provided herein all sums required for the payment of the principal of and interest on the



Bonds presented for payment at the places herein provided at maturity, or on call and redemption or on purchase by the Fiscal Agent prior to maturity. The Fiscal Agent is hereby authorized to redeem the Bonds and the interest coupons appertaining thereto when duly presented to it for payment at maturity, or on call and redemption or on purchase by the Fiscal Agent prior to maturity, and to cancel all Bonds and coupons upon payment thereof and to return the same so cancelled to the Treasurer. The Fiscal Agent shall keep accurate records of all funds administered by it and of all Bonds and coupons paid and discharged by it.

The recitals of fact and all promises, covenants and agreements herein and in the Bonds of said authorized issue contained shall be taken as statements, promises, covenants and agreements of the City, and the Fiscal Agent assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this resolution or of the Bonds or coupons, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bond assigned to or imposed upon the Fiscal Agent.

The Fiscal Agent shall be under no responsibility or duty with respect to the issuance of the Bonds for value. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

Any Fiscal Agent appointed hereunder may resign at any time. Upon the merger, consolidation or other reorganization of any Fiscal Agent, the City shall appoint a new Fiscal Agent, which may be the corporation resulting from such reorganization.

#### Section 11. Funds.

Under and pursuant to said Revenue Bond Law there have heretofore been created the following funds which shall be applied pursuant to this resolution and under and pursuant to said Revenue Bond Law:

(1) 1968 Water Revenue Bonds, Acquisition and Construction Fund (herein sometimes referred to as "Acquistion and Construction Fund," held by the Treasurer);

(2) 1968 Water Revenue Bonds, Water Revenue Fund (herein sometimes referred to as "Revenue Fund," held by the Fiscal Agent);

(3) 1968 Water Revenue Bonds, Bond Service Fund (herein sometimes referred to as "Bond Service Fund," held by the Fiscal Agent);

(4) 1968 Water Revenue Bonds, Reserve Fund (herein sometimes referred to as "Reserve Fund," held by the Fiscal Agent);

(5) 1968 Water Revenue Bonds, Maintenance and Operation Fund (herein sometimes referred to as "M & O Fund," held by the Treasurer).

Section 12. Disposition of Bond Proceeds.

The proceeds of the sale of the Bonds shall be received by the Fiscal Agent and deposited as follows:

(1) The accrued interest, if any, shall be placed in the Bond Service Fund.



(2) A sum, such that together with funds in the Reserve Fund will constitute a sum equal to Maximum Annual Debt Service, shall be placed in the Reserve Fund.

(3) The balance shall be deposited with the Treasurer and placed in the Acquisition and Construction Fund.

The City may deposit money received from any source in the Acquisition and Construction Fund. The moneys set aside and placed in the Acquisition and Construction Fund shall remain therein until from time to time expended for the purposes for which the Bonds were issued.

Moneys in the Acquisition and Construction Fund may be invested in any Authorized Investments, provided that the maturity or maturities thereof shall not be later than the date or dates on which moneys must be available to meet scheduled Acquisition and Construction Fund expenditures. If any sum remains in said Acquisition and Construction Fund after the full accomplishment of the purposes for which the bonds were issued, it shall be transferred to and placed in the Revenue Fund.

Section 13. Revenue Fund.

The Treasurer shall, on or before the fifth (5th) day of each calendar month next succeeding the calendar month in which the Gross Revenues of the Enterprise have been collected, deposit the Gross Revenues of the Enterprise with the Fiscal Agent. Said Gross Revenues of the Enterprise shall be placed by the Fiscal Agent in the Revenue Fund and shall be held in trust by the Fiscal Agent. The Fiscal Agent shall transfer moneys from the Revenue Fund to the funds and in the amounts and priority as hereinafter provided in this resolution, the resolution heretofore adopted providing for the issuance of the 1968 Water Revenue Bonds, Series A (described in the recitals hereof), any Subsequent Resolution and as provided by law.

Section 14. Bond Service Fund.

On or before the tenth (10th) day of each calendar month so long as any of the Bonds are outstanding the Fiscal Agent shall set aside out of the Revenue Fund into the Bond Service Fund, the following amounts: (1) One-Sixth (1/6th) of the interest which will become due and payable

on the outstanding Bonds on the next ensuing interest payment date; provided, however, that each monthly payment shall be reduced by an amount equal to any investment income received during the preceding month on moneys in the Bond Service Fund, except that for the first six (6) months after the date of the Bonds, the monthly sum transferred shall be the interest which will become due and payable at the end of the first six (6) months less the amount of any accrued interest placed in the Bond Service Fund divided by the number of months remaining in said period; and (2) one-twelfth ( $1/12$ th) of the principal amount which will mature and be payable on the outstanding Bonds within the next ensuing twelve (12) months. In the event that the transfer or transfers for each calendar month as aforesaid are less than the amounts required for the month because of lack of funds or for any other reason the deficiency shall be added to and become a part of the transfer or transfers required for the following calendar month.

Such sums shall be transferred so that the full amount required to pay, as it becomes due, the interest on said Bonds and any maturity or installment of principal on said Bond shall be set aside in the Bond Service Fund

at least five (5) days prior to the date the installment of interest and/or principal becomes due.

Any moneys required to be set aside, transferred to and placed in the Bond Service Fund may be prepaid in whole or in part by being earlier set aside, transferred to and placed in the Bond Service Fund, and in that event the monthly transfer which has been so prepaid need not be made at the time appointed therefor. In any event at least five (5) days prior to the due date of any installment of interest and/or principal on such Bonds all sums required for the payment thereof must be in the Bond Service Fund.

Moneys in the Bond Service Fund may be temporarily invested in any Authorized Investments provided that the maturity or maturities thereof shall not be later than the date or dates on which money must be available in the Bond Service Fund.

The interest coupons shall recite that they are payable from the Revenue Fund, but said coupons notwith-



standing such recital shall be paid from the Bond Service Fund which is derived from the Revenue Fund.

If after all of the Bonds and any Parity Bonds have been redeemed and cancelled or paid and cancelled there are moneys remaining in the Bond Service Fund said moneys shall be transferred to the Revenue Fund; provided, however, that if said moneys are part of the proceeds of refunding bonds said moneys shall be transferred to the fund or account created for the payment of the principal of and interest on such refunding bonds.

Section 15. Reserve Fund.

From the proceeds of the sale of the Bonds there shall be placed in the Reserve Fund an amount such that together with funds therein shall constitute a sum equal to Maximum Annual Debt Service, and thereafter there shall be maintained in said Reserve Fund by transfers from the Revenue Fund an amount equal to the Maximum Annual Debt Service.

From the proceeds of the sale of any Parity Bonds there shall be immediately placed in the Reserve Fund an

amount which will make the Reserve Fund equal to the Maximum Annual Debt Service and thereafter there shall be maintained in said Reserve Fund an amount equal to the Maximum Annual Debt Service.

Moneys in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds or any Parity Bonds in the event that the moneys in the Bond Service Fund are insufficient therefor and for that purpose the Fiscal Agent shall withdraw and transfer moneys from the Reserve Fund to the Bond Service Fund. Whenever moneys are withdrawn from the Reserve Fund an equal amount of moneys shall be placed in the Reserve Fund by transfers from the first available moneys in the Revenue Funds.

Moneys in the Reserve Fund may be invested in any Authorized Investments provided that the maturity or maturities thereof shall not be later than five (5) years from the date of the investment, and provide further than moneys in the Reserve Fund in excess of Maximum Annual Debt Service shall be withdrawn from the Reserve Fund, on

December 1 of each year, and transferred to the Revenue Fund by the Fiscal Agent.

Moneys in the Reserve Fund may be used to pay the principal of and/or interest on the last outstanding maturity of the Bonds or any Parity Bonds.

Section 16. M & O Fund.

All moneys remaining in the Revenue Fund on or before the tenth (10th) day of each calendar month, after setting aside and transferring from the Revenue Fund the sums required to be set aside and transferred pursuant to Sections 14 and 15, shall be transferred by the Fiscal Agent to the Treasurer, and the Treasurer shall deposit in the M & O Fund an amount necessary to pay the Necessary and Reasonable Maintenance and Operation Cost of the Enterprise.

Section 17. Remaining Moneys.

After allocation of moneys to the Bond Service Fund, Reserve Fund and M & O Fund as herein provided and after all

covenants of the City contained herein have been duly performed, moneys remaining in the Revenue Fund may be (1) used for extensions and betterments of the Enterprise; (2) used for unbudgeted maintenance and operation expenses, (3) transferred to the general fund of the City and used for any lawful purpose of the City other than the redemption of Bonds; or (4) transferred to the Redemption Fund to be used for (i) the redemption of any of the Bonds which are subject to call and redemption prior to maturity or (ii) the purchase in the open market of any outstanding Bonds whether or not subject to call and redemption (irrespective of the maturity or number of such Bonds) at prices and in such manner, either at public or private sale, or otherwise, as the City in its discretion may determine, but such purchase price (including brokerage and other charges, but excluding accrued interest) shall not exceed the lesser of 103% of the principal amount or the redemption price of the callable Bonds on the next redemption date.

#### Section 18. Investments.

Except as hereinbefore provided, obligations purchased as investments of moneys in any of the funds



in which investments are authorized shall be deemed at all times to be a part of such funds and any income realized from such investments shall be credited to such funds and any losses resulting from such investments shall be charged to such funds. The Fiscal Agent or Treasurer, as the case may be, shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer from such funds. For the purpose of determining at any given time the balance in any such funds any such investments constituting a part of such funds shall be valued at the then estimated or appraised market value of such investments.

Moneys held in any fund created hereunder shall not be invested in such a way as to be regarded as "arbitrage bonds" under the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

Section 19. Warranty.

The City shall preserve and protect the security of the Bonds and the rights of the bondholders and warrant

and defend their rights against all claims and demands of all persons.

## Section 20. Covenants.

So long as any of the Bonds issued hereunder are outstanding and unpaid, the City makes the following covenants with the bondholders under the provisions of the Revenue Bond Law (to be performed by the City or its proper officers, agents or employees) which covenants are necessary, convenient and desirable to secure the Bonds and tend to make them more marketable; provided, however, that said covenants do not require the City to expend any funds other than the revenues received or receivable from the Enterprise.

### Covenant 1. Punctual Payment.

The City covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every bond issued hereunder, together with the premium thereon, if any be payable, on the date, at the place and in the manner mentioned in the Bonds and coupons and in

accordance with this resolution, and that the payments into the Bond Service Fund and the Reserve Fund will be made, all in strict conformity with the terms of said Bonds and of this resolution, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this resolution and all resolutions supplemental thereto and of the Bonds issued hereunder, and that time of such payment and performance is of the essence of the City's contract with the bondholders.

Covenant 2. Discharge Claims.

The City covenants that in order to fully preserve and protect the priority and security of the Bonds the City shall pay from the Revenue Fund and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Enterprise which, if unpaid, may become a lien or charge upon the revenues prior or superior to the lien of the Bonds and impair the security of the Bonds. The City shall also pay from the Revenue Fund all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the Enterprise or upon any part thereof or upon any of the revenues therefrom.

Covenant 3. Commence Acquisition and Construction.

The City covenants that as soon as funds are available therefor, the City will commence the accomplishment of the purposes for which the Bonds are issued and will continue the same to completion with all practical dispatch and in an economical manner.

Covenant 4. Operate Enterprise in Efficient and Economical Manner.

The City covenants and agrees to operate the Enterprise in an efficient and economical manner and to operate, maintain and preserve the Enterprise in good repair and working order.

Covenant 5. Against Sale, Eminent Domain.

Except as provided herein, the City covenants that the Enterprise shall not be mortgaged or otherwise encumbered, sold, leased, pledged, any charge placed thereon, or disposed of as a whole or substantially as a whole unless such sale or other disposition be so arranged as to provide



for a continuance of payments into the Revenue Fund sufficient in amount to permit payment therefrom of the principal of and interest on and premiums, if any, due upon the call and redemption thereof, of the Bonds, payment of which is required to be made out of the revenues of the Enterprise, and also to provide for such payments into the funds as are required under the terms of this resolution. The City further covenants that the revenues from the Enterprise or any other funds pledged or otherwise made available to secure payment of the principal of and interest on the Bonds shall not be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed of or used except as authorized by the terms of this resolution. The City further covenants that it will not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate revenues to pay the principal and interest of the Bonds or which otherwise would impair the rights of the bondholders with respect to the revenues of the operation of the Enterprise. If any substantial part of the Enterprise is sold the payment therefor shall either be used for the acquisition and/or construction of improvements and extensions of the Enterprise or shall be placed in the appropriate funds and shall be

used to pay or call and redeem said Bonds and any Parity Bonds in the manner provided in this resolution and any subsequent resolution.

The City covenants that any amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain, if and to the extent that such right can be exercised against such property of the City, shall either be used for the acquisition and/or construction of improvements and extension of the Enterprise or shall be placed in the appropriate funds and shall be used to pay or call and redeem said Bonds and any Parity Bonds in the manner provided in this resolution and any subsequent resolution.

Covenant 6. Insurance.

The City covenants that it shall at all times maintain with responsible insurers all such insurance on the Enterprise as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. If any useful part of the Enterprise shall be damaged or de-

stroyed, such part shall be restored to use. The money collected from insurance against accident to or destruction of the physical Enterprise shall be used for repairing or rebuilding the damaged or destroyed Enterprise, and to the extent not so applied, shall be applied to the retirement of said outstanding and unredeemed Bonds and any Parity Bonds issued for the Enterprise and for such purpose paid into the appropriate funds.

The City shall also maintain with responsible insurers workers' compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the City and the bondholders.

Covenant 7. Records and Accounts.

The City covenants that it shall keep proper books of record and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall at all times be subject to the inspection of the holders of not less

than 10% of the outstanding Bonds or their representatives authorized in writing.

The City covenants that it will cause the books and accounts of the Enterprise to be audited annually by an independent certified public accountant or firm of certified public accountants and will make available for inspection by the bondholders at the office of the Treasurer and at the office of the Fiscal Agent, a copy of the report of such accountant or accountants.

The City covenants that it will cause to be published annually, not more than 120 days after the close of each fiscal year a summary statement showing the amount of Gross Revenues of the Enterprise and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of principal of and interest on the Bonds, the disbursements from such revenues and other funds in reasonable detail, and a general statement of the financial and physical condition of the Enterprise. The City shall furnish a copy of the statement to the Fiscal Agent and, upon request, to any bondholder.



Covenant 8. Collection of Charges.

The City covenants that, except to the extent that the City is required under agreements and/or contracts existing on the date of delivery of the Bonds, no water or other service from the Enterprise may be furnished or rendered to the United States of America, the State of California, the City, any municipal or public corporation or district or public agency or any private corporation or person free, and that, except to the extent that the City is required under agreements and/or contracts existing on the date of delivery of the Bonds, no such service shall be rendered to the United States of America, the State of California, the City, any other municipal or public corporation or district or any private corporation or person at rates lower than those charged other persons for similar service, except that charges to the City for water used for street or sewer flushing and for fire hydrants may be made at rates lower than those charged private persons, and all rates for service rendered to the City shall be a reasonable charge for the service rendered. No building or other real property of the Enterprise shall be furnished free to the City, but the City shall pay into the Revenue

Fund the reasonable rental value of any property so used, and reasonable and proper charges for service rendered or quarters furnished to the Enterprise shall be paid to the City from the Revenue Fund. The City covenants that it shall at all times during the period any of the Bonds are outstanding maintain and enforce valid regulations for the payment of bills for water service and that such regulations shall at all times during such period provide that the City shall discontinue water service to any user whose water bill has not been paid within the time fixed by said regulations.

Covenant 9. Rates and Charges.

The City shall and hereby covenants that it shall prescribe, revise and collect such charges for the services and facilities of the Enterprise which, after making allowances for contingencies and error in the estimates, shall be at least sufficient to pay the following amounts in the order set forth:

(a) All current expenses for the necessary and reasonable maintenance and operation costs of the Enterprise;

(b) The interest on and principal payments of the outstanding Bonds and any Parity Bonds as such become due and payable at maturity;

(c) All payments required for compliance with this resolution including payments required to be made into the Reserve Fund; and

(d) All payments required to meet any other obligations of the City which are charges, liens or encumbrances upon or payable from the revenues of the Enterprise;

and the charges shall be so fixed that commencing in Fiscal Year 1979-80 and in each Fiscal Year thereafter the Gross Revenues of the Enterprise, as certified by an independent engineer, shall be at least 1.25 times the annual amounts payable under subparagraph (b) above plus 1 times the amounts payable under subparagraphs (a), (c) and (d) above.

Covenant 10. No Priority for Additional Bonds.

The City covenants that no additional bonds shall be issued pursuant to the Revenue Bond Law or any other law of the State of California having any priority in payment of principal or interest out of the Gross Revenues of the Enterprise over the Bonds hereby authorized to be issued and payable out of said Gross Revenues.

Covenant 11. Limits on Additional Debt.

The City covenants that, except for bonds issued to refund these Bonds, no additional indebtedness evidenced by revenue bonds, revenue notes or any other evidences of indebtedness payable out of the Revenue Fund and ranking on a parity with these Bonds shall be created or incurred unless:

First: The City is not in default under the terms of this resolution.

Second: The Net Revenues of the Enterprise, calculated on sound accounting principles, as shown



on the books of the City for the latest Fiscal Year or the last completed 12-month period ended ninety (90) days prior to the adoption of the resolution of issuance for such additional indebtedness as shown by an audit certificate or opinion of an independent certified public accountant or a firm of certified public accountants employed by the City, plus, at the option of the City, any or all of the items hereinafter in this covenant designated (a) and (b), shall have amounted to at least 1.25 times Maximum Annual Debt Service in any Fiscal Year thereafter on all indebtedness to be outstanding immediately subsequent to the incurring of such additional indebtedness.

For the purposes of this covenant, the Net Revenues of the Enterprise shall not include any sum transferred from the Acquisition and Construction Fund under the provisions of this resolution. The items any or all of which may be added to such Net Revenues for the purpose of applying the restriction contained in this covenant are the following:

(a) An allowance for Net Revenues of the Enterprise from any additions to or improvements or extensions

of the Enterprise to be made with the proceeds of such additional indebtedness, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but which, during all or any part of such Fiscal Year or last completed 12-month period, were not in service, all in an amount equal to 75% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown by a certificate or opinion of an independent engineer of recognized standing qualified to pass on questions relating to the financial conditions of water system operations.

(b) An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the incurring of such additional indebtedness but which, during all or any part of such Fiscal Year or last completed 12-month period, was not in effect, in an amount equal to 75% of the amount by which the Net

Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or last completed 12-month period, as shown by the certificate or opinion of an independent engineer of recognized standing qualified to pass on questions relating to the financial conditions of water system operations.

Covenant 12. Compliance With Laws.

The City covenants that it will comply with all laws, statutes, regulations, covenants, conditions and restrictions now or hereafter affecting the Enterprise or the operations thereof and that it will not commit, suffer or permit any act to be done in or upon the Enterprise in violation of any law, ordinance or regulation.

Covenant 13. Arbitrage.

The City covenants that it will make no use of the proceeds of the Bonds which, if such use had been reasonably expected on the date of issue, would have caused the Bonds to be arbitrage bonds. The City will comply with

the requirements of the Internal Revenue Code of 1954, as amended, and the regulations adopted by the Department of the Treasury pursuant thereto.

Section 21. Lost, Stolen, Destroyed or  
Mutilated Bonds.

In the event that any Bond or any interest coupon pertaining thereto is lost, stolen, destroyed or mutilated, the City will cause to be issued a new Bond or coupon similar to the original to replace the same in such manner and upon such reasonable terms and conditions, including the payment of costs and the posting of a surety bond if the City deems such surety bond necessary, as may from time to time be determined and prescribed by resolution. The City may authorize such new Bond or coupon or coupons to be signed and authenticated in such manner as it determines in said resolution.

Section 22. Cancellation of Bonds.

All Bonds and coupons surrendered to the Treasurer or any paying agent of the City for payment upon maturity



or for redemption shall upon payment therefor be cancelled immediately. Any Bonds purchased by the City as authorized herein together with all unpaid coupons pertaining thereto shall be cancelled forthwith and shall not be reissued. All of the cancelled Bonds and interest coupons shall be transferred to and shall remain in the custody of the Treasurer.

Section 23. Consent of Bondholders.

The consents of bondholders provided for in this section shall relate solely to the amendment, waiver or modification of the covenants specified in Section 20 hereof and shall not be effective to waive or modify any other provisions of this resolution or any other proceedings for the issuance of the Bonds. Any act relating to the amendment, waiver or modification of any of the said covenants consented to by bondholders holding sixty percent (60%) in aggregate principal amount of the outstanding Bonds, exclusive of Bonds, if any, owned by the City, shall be binding upon the holders of all of the Bonds and interest coupons, whether such coupons be attached to Bonds or detached therefrom, and shall not be deemed an infringement of any of the provisions

of this resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this resolution, and after such consent relating to such specified matters has been given, no bondholder or holder of any interest coupon, whether attached to a Bond or detached therefrom, shall have any right or interest or object to such action or in any manner to question the propriety thereof or to enjoin or restrain the City or any officer thereof from taking any action pursuant thereto.

Bondholders may consent by affirmative vote at a bondholders' meeting or may consent in writing without a meeting, all as hereinafter provided.

No such amendment, waiver or modification shall be made which will permit (a) a change in the maturity or term of redemption of the principal of any bond or any installment of interest thereon; (b) a reduction in the principal amount of or redemption price or redemption premium or rate of interest upon any Bond without the consent of the holder of such bond; or (c) a reduction of the percentage

of the principal amount of Bonds the vote or consent of which is required to effect any such amendment.

(a) Calling Bondholders' Meeting. If the City shall desire to obtain any such consent it may call a meeting of bondholders, by resolution, for the purpose of considering the action, the consent to which is desired.

(b) Notice of Meeting. Notice specifying the purpose, place, date and hour of such meeting shall be published once in a financial newspaper or journal of national circulation published in or near the City of New York, New York, not less than sixty (60) days and not more than ninety (90) days prior to the date fixed for the meeting. Such notice shall set forth the nature of the proposed action, consent to which is desired. If any of the Bonds shall be so registered as to be payable otherwise than to bearer, the City Clerk of the City shall, on or before the first publication of such notice, mail a similar notice, postage prepaid, to the respective registered owners thereof at their addresses appearing on the bond registry

books. The place, date and hour of holding such meeting and the date or dates of publishing and mailing such notice shall be determined by the City, in its discretion.

The actual receipt by any bondholder of notice of any such meeting shall not be a condition precedent to the holding of such meeting, and failure to receive such notice shall not affect the validity of the proceedings thereat. A certificate by said City Clerk, approved by resolution of the City Council that the meeting has been called and that notice thereof has been given as herein provided shall be conclusive as against all parties and it shall not be open to any bondholder to show that he failed to receive notice of such meeting.

(c) Voting Qualifications. Any bondholder may, prior to any such meeting, deliver his Bond or Bonds to any agency designated by the City for the purpose, and shall thereupon be entitled to receive an appropriate receipt for the Bond or Bonds so deposited, calling for the redelivery of such Bond or Bonds at any time after the meeting. The Treasurer shall

prepare and deliver to the chairman of the meeting a list of the names and addresses of the registered owners of Bonds, with a statement of the maturities and serial numbers of the Bonds held and deposited by each of such bondholders, and no bondholder shall be entitled to vote at such meeting unless his name appears upon such list or unless he shall present his Bond or Bonds at the meeting or a certificate of deposit thereof, satisfactory to the City, executed by a bank or trust company. No bondholders shall be permitted to vote with respect to a larger aggregate principal amount of Bonds than is set against his name on such list, unless he shall produce the Bonds upon which he desires to vote, or a certificate of deposit thereof as above provided.

(d) Issuer-owned Bonds. The City covenants that it will present at the meeting a certificate, signed and verified by one member of the City Council and by the Treasurer stating the maturities and serial numbers of all Bonds owned by, or held for account of, the City, directly or indirectly. No person shall be permitted at the meeting to vote or consent with



respect to any Bond appearing upon such certificate, or any Bond which it shall be established at or prior to the meeting is owned by the City, directly or indirectly, and no such Bond (in this resolution referred to as "Issuer-Owned Bonds") shall be counted in determining whether a quorum is present at the meeting.

(e) Quorum and Procedure. A representation of at least sixty percent (60%) in aggregate principal amount to the Bonds then outstanding (exclusive of Issuer-Owned Bonds) shall be necessary to constitute a quorum at any meeting of bondholders, but less than a quorum may adjourn the meeting from time to time, and the meeting may be held as so adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The City shall, by an instrument in writing, appoint a temporary chairman of the meeting, and the meeting shall be organized by the election of a permanent chairman and a secretary. At any meeting each bondholder shall be entitled to one vote for every \$5,000 principal amount of Bonds with respect to which he shall be entitled to vote as aforesaid, and such vote

may be given in person or by proxy duly appointed by an instrument in writing presented at the meeting. The City, by its duly authorized representative, may attend any meeting of the bondholders, but shall not be required to do so.

(f) Vote Required. At any such meeting held as aforesaid there shall be submitted for the consideration and action of the bondholders a statement of proposed action, consent to which is desired, and if such action shall be consented to and approved by bondholders holding at least sixty percent (60%) in aggregate amount of the Bonds then outstanding (exclusive of Issuer-Owned Bonds) the chairman and secretary of the meeting shall so certify in writing to the City, and such certificate shall constitute complete evidence of consent of bondholders under the provisions of this resolution. A certificate signed and verified by the chairman and the secretary of any such meeting shall be conclusive evidence and the only competent evidence of matters stated in such certificate relating to proceedings taken at such meeting.

(g) Written Consent of Bondholders. If the City shall desire to obtain any such consent in writing, without a meeting of bondholders, the City Council may, by resolution, propose the action, to which consent is desired. A copy of such resolution, together with a request to bondholders for their consent to the action proposed therein, shall be published once in a financial newspaper or journal of national circulation published in or near the City of New York, New York. If any of the Bonds shall be so registered as to be payable otherwise than to bearer, the City Clerk of the City shall, on or before the publication of such resolution and request, mail a copy thereof to each registered owner at the address appearing on the bond registry books.

The actual receipt by any bondholder of such resolution and request shall not affect the validity of the proceedings for the obtaining of such consent. A certificate by said City Clerk, approved by resolution of the City Council, that said resolution and request has been published and mailed as herein provided shall be conclusive as against all parties, and it shall

not be open to any bondholder to show that he failed to receive such resolution and consent.

Each written consent shall be accompanied by proof of ownership of the Bonds for which such consent is given. Proof of ownership shall be made in such manner as shall be prescribed by the resolution proposing the action. Any such written consent shall be binding upon the holder of the bonds giving such consent and on any subsequent holder (whether or not such subsequent holder has notice thereof) unless such consent is revoked in writing by the holder giving such consent or by the subsequent holder. To be effective, any revocation of consent must be filed before the adoption of the resolution accepting consents as hereinafter provided.

After the holders of at least sixth percent (60%) in aggregate principal amount of the Bonds then outstanding (exclusive of Issue-Owned Bonds) shall have consented in writing, the City Council shall adopt a resolution accepting such consents and such resolu-

tion shall constitute complete evidence of the consent of bondholders under this resolution.

(h) Publication of Consent. Notice specifying the amendment, waiver or modification that has received the consent of bondholders as required by this section shall be published once in a financial newspaper or journal of national circulation published in or near the City of New York, New York, not less than sixty (60) days following the final action in the proceedings for the obtaining of such consent. Said notice is only for the information of bondholders and failure to publish such notice or any defect therein shall not affect the validity of the proceedings theretofore taken in the obtaining of such consent.

#### Section 24. Bond and Coupon Forms.

The Bonds shall be payable to bearer, shall be issued in negotiable form, and shall be negotiable, and the form of said Bonds and interest coupons thereof shall be substantially as follows:



UNITED STATES OF AMERICA

STATE OF CALIFORNIA

COUNTY OF VENTURA

CITY OF CAMARILLO

1978 WATER REVENUE BOND

No. ....

\$5,000

THE CITY OF CAMARILLO, a municipal corporation situated in the County of Ventura, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from the Water Revenue Fund, as hereinafter provided, to the bearer, on December 15, ...., upon presentation and surrender of this bond, the sum of FIVE THOUSAND DOLLARS, with interest thereon at the rate of ....% per annum, payable semiannually on the fifteenth days of June and December of each and every year from the date hereof until this bond is paid, upon presentation and surrender of the respective interest coupons hereto attached; provided, however, that if at the maturity date of this bond or, if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption, funds are available for the payment or redemption thereof, as provided in the resolution hereinafter mentioned, this bond shall then cease to bear interest.

Both principal and interest are payable in lawful money of the United States of America, at the office of the Treasurer of the City of Camarillo in Camarillo, California, or, at the option of the holder, at the main office of Bank of America National Trust and Savings Association in Los Angeles, California or at any paying agent of the City in Chicago, Illinois, or in New York, New York.

This is one of a duly authorized issue of bonds of the City designated "1978 Water Revenue Bonds," hereinafter called "the bonds," all of which have been issued pursuant to the Revenue Bond Law of 1941 (being Chapter 6, Part 1, Division 2, Title 5 of the Government Code of the State of California) and Article 8, Chapter 3, Part 1, Division 2, Title 5 of the Government Code of the State of California (hereinafter referred to as "Article 8") for the purpose of the acquisition, construction and financing of a water system for said City and the creation of said issue and the terms and conditions of the bonds are provided for by the resolution of the City Council of said City authorizing the bonds adopted November 8, 1978, designated Resolution No. ...., and this reference incorporates said resolution, said Revenue Bond Law of 1941 and said

Article 8 herein, and by acceptance hereof the holder of this bond and the coupons hereto attached assents to said terms and conditions. Said resolution is adopted under, and this bond and the interest coupons hereto attached are issued under and are to be construed in accordance with the laws of the State of California.

This bond and the interest hereon and any premium upon the redemption hereof are not a debt of the City of Camarillo, nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its income, receipts, or revenues except the gross revenues of the Enterprise (as defined in said resolution) pledged to its payment, and the principal of and the interest on this bond and any premium upon the redemption hereof are payable solely from the gross revenues of the Enterprise pledged to its payment and said City is not obligated to pay such principal, interest and premium except from said gross revenues. The Water Revenue Fund is established under and pursuant to the Revenue Bond Law of 1941, and under the provisions of said resolution authorizing the issuance of this bond the gross revenues received from the Enterprise are required to be deposited to the credit

of said Water Revenue Fund and used only for the purposes authorized by said resolution, including the payment of principal and interest of the series of bonds of which this is one.

By the terms of said Revenue Bond Law and by covenant expressed in said resolution, the City is obligated to prescribe, revise and collect charges for the services and facilities of the water system of the City such as to provide revenues sufficient to pay the interest on and principal of the bonds as they become due and payable in addition to all other payments required for compliance with said resolution and the necessary and reasonable maintenance and operation costs of the water system, is prohibited from issuing bonds having any priority with respect to payment from the gross revenues of the Enterprise, and is subject to conditions with respect to any sale of said water system. In the manner provided in said resolution, any or all of the obligations referred to in this paragraph and certain other obligations mentioned in said resolution may be waived with the consent of the holders of 60% in aggregate principal amount of the outstanding bonds, exclusive of Issuer-Owned Bonds.

This bond is callable and redeemable prior to maturity in accordance with the provisions for redemption endorsed hereon.

This bond and the coupons hereto attached are negotiable instruments and shall be negotiable by delivery. This bond may be registered only as to both principal and interest, in accordance with the provisions for registration endorsed hereon.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the incurring of the indebtedness evidenced by this bond and in issuance of this bond exist, have happened, and have been performed in due time, form and manner as required by the Constitution and laws of the State of California and that this bond, together with all other indebtedness of the City pertaining to the aforesaid water system, is within every debt and other limit prescribed by the Constitution and laws of the State of California.



IN WITNESS WHEREOF, said City of Camarillo has caused this bond to be signed by the Mayor and the City Treasurer of said City by their facsimile signatures, countersigned by the City Clerk of said City, and sealed with the corporate seal of said City, and the interest coupons hereto attached to be signed by the City Treasurer by his facsimile signature, and has caused this bond to be dated December 15, 1978.

\_\_\_\_\_  
Mayor of the City of Camarillo,  
California

COUNTERSIGNED:

\_\_\_\_\_  
City Clerk of the City  
of Camarillo, California

\_\_\_\_\_  
City Treasurer of the City of  
Camarillo, California

(SEAL)

(COUPON FORM)

On the fifteenth day of ....., 19..

THE CITY OF CAMARILLO, CALIFORNIA, will

pay to the bearer, at the office of the

Treasurer of the City of Camarillo in Coupon No.

Camarillo, California, or, at the option .....

of the holder, at the main office of Bank

of America National Trust and Savings

Association, Fiscal Agent for the City,

in Los Angeles, California or at any

paying agent of the City in Chicago,

Illinois, or in New York, New York,

out of the Water Revenue Fund of said

City and not out of any other fund

or moneys of the City, the sum of \$.....

in lawful money of the United States of

of America, being the interest then due

on 1978 WATER REVENUE BOND NO. ....

dated December 15, 1978, subject to the

provisions on the reverse hereof.

---

City Treasurer of the  
City of Camarillo, California

On the reverse side of the coupon there shall be printed substantially the following:

(REVERSE OF COUPON)

If the bond to which this coupon is attached is redeemable and is duly called for redemption on a date prior to the maturity date of this coupon, this coupon will be void.

PROVISIONS FOR REDEMPTION

Unless this bond matures on or prior to December 15, 1986, it is redeemable in the manner and subject to the terms and provisions, and with the effect, set forth in the resolution referred to on the face of this bond, at the option of the City, on December 15, 1986, or on any interest payment date thereafter prior to maturity, upon at last 30 days' prior notice published in a newspaper circulated in the County of Los Angeles, California, and in a financial newspaper or journal of national circulation published in or near the City of New York, New York, at a redemption price for each redeemable bond equal to the principal amount thereof, plus a premium equal to one-quarter of one percent

of the principal amount for each year or intervening fraction of a year from the redemption date to the maturity date.

#### PROVISIONS FOR REGISTRATION

This bond may be registered in the name of any person as the registered owner hereof, as to both principal and interest, and, if registered may be transferred or discharged from registration.

Each registration, transfer after registration, or discharge from registration of this bond shall be entered by the Fiscal Agent in books kept by it for the purpose and noted by it in the registration blank below. Upon registration, all unmatured coupons pertaining hereto shall be surrendered to the Fiscal Agent and may be preserved or cancelled in his discretion.

So long as this bond is registered no transfer hereof shall be valid for any purpose unless made by the registered owner and entered and noted as herein provided, and the principal hereof and any redemption premium shall be payable only to the registered owner, or to his order.

Interest on this bond, if registered, shall be payable to the person whose name appears upon the registry books as the registered owner hereof at the close of business on the tenth day preceding the interest payment date, or to his order. If this bond is registered and it is discharged from registration, there shall be attached hereto coupons representing interest hereon to become due thereafter to the date of maturity hereof. If requested by the registered owner, in lieu thereof, and upon surrender and cancellation thereof, the Fiscal Agent may issue in exchange therefor a new bond, with such coupons attached, identical with this bond except for the previous notations on the registration blank hereon, and except that the signatures on the new bond shall be those of the persons holding the offices at the time of affixing such signatures. The issuance of any such new bond or new coupons shall be at the expense of the registered owner.

Each discharge hereof from registration shall be effected by an entry on the registry books, and a notation in the blank below, that this bond is payable to bearer, whereupon this bond shall become an unregistered bearer instrument, negotiable by delivery as if it had never been



registered. Each request for registration, transfer or discharge must be in form satisfactory to the Fiscal Agent and must be made in writing, signed by the registered owner, or by his agent duly authorized in writing, or by the bearer, as the case may be.

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Fiscal Agent</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Section 25. Proceedings Constitute Contract.

The provisons of this resolution and of the resolutions providing for the sale of the Bonds and awarding the Bonds and fixing the interest rate or rates thereon shall constitute a contract between the City and the bondholders and the provisions thereof shall be enforceable by any bondholder for the equal benefit and protection of all bondholders similarly situated by mandamus, accounting, mandatory injunction or any other suit, action or proceeding

at law or in equity that is now or may hereafter be authorized under the laws of the State of California in any court of competent jurisdiction. Said contract is made under and is to be construed in accordance with the laws of the State of California.

No remedy conferred hereby upon any bondholder is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Revenue Bond Law of 1941 or any other law of the State of California. No waiver of any default or breach of duty or contract by any bondholder shall affect any subsequent default or breach of duty or contract or shall impair any rights or remedies on said subsequent default or breach. No delay or omission of any bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed as a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the bondholders may be enforced and exercised as often as may be deemed expedient. In case any suit, action or proceeding to enforce any right

or exercise any remedy shall be brought or taken and the bondholder shall prevail, said bondholder shall be entitled to receive from the Revenue Fund reimbursement for reasonable costs, expenses, outlays and attorneys' fees and should said suit, action or proceeding be abandoned, or be determined adversely to the bondholders then, and in every such case, the City and the bondholders shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this resolution shall be irrevocable, but shall be subject to modification to the extent and in the manner provided in this resolution, but to no greater extent and in no other manner.

#### Section 26. Future Contracts.

Nothing herein contained shall be deemed to restrict or prohibit the City from making contracts or creating bonded or other indebtedness payable from the general fund of the City or from taxes or any source other than the revenues of the Enterprise as defined herein, and from

and after the sale of the Bonds the general fund of the City shall not include the revenues of the Enterprise and no contract or other obligation payable from the general fund of the City shall be payable from the revenues of the Enterprise, except as provided herein.

Section 27. Severability.

If any covenant, agreement or provision, or any portion thereof, contained in this resolution, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this resolution and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this resolution and the bonds issued pursuant hereto shall remain valid and the bondholders shall retain all valid rights and benefits accorded to them under this resolution and the Constitution and laws of the State of California. If the provisions relating to the appointment and duties of a Fiscal Agent are held to be unconstitutional, invalid or unenforceable said duties shall be performed by the officer of the city performing the functions of a treasurer.

Section 28. Effective Date.

This resolution shall take effect upon adoption.

ADOPTED, SIGNED AND APPROVED this 8th day of  
November, 1978.

\_\_\_\_\_  
Mayor of the City of Camarillo,  
California

ATTEST:

\_\_\_\_\_  
City Clerk of the City of  
Camarillo, California

(SEAL)



STATE OF CALIFORNIA       )  
COUNTY OF VENTURA       ) SS.  
CITY OF CAMARILLO        )

I, ....., City Clerk of the  
City of Camarillo, California, DO HEREBY CERTIFY that the  
foregoing resolution was duly adopted by the City Council  
of said City at a regular meeting of said City Council  
held on the 8th day of November, 1978, and that it was  
adopted by the following vote, to wit:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_

(SEAL)

\_\_\_\_\_  
City Clerk of the City of  
Camarillo, California

79 00780.1

U.C. BERKELEY LIBRARIES



C123311107

STATE OF CALIFORNIA     )  
COUNTY OF VENTURA     ) SS.  
CITY OF CAMARILLO       )

I, ....., City Clerk of the City  
of Camarillo, California, DO HEREBY CERTIFY that the above  
and foregoing is a full, true and correct copy of Resolution  
No. ....., and that the same has not been amended or repealed.

DATED:

\_\_\_\_\_  
City Clerk of the City of Camarillo,  
California

(SEAL)

INSTITUTE OF GOVERNMENTAL  
STUDIES LIBRARY

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UNIVERSITY OF CALIFORNIA



